

Social disparities in IT sector

Why In news

Recent , NSSO survey uncovers significant caste-based inequalities in employment rates and wages within the IT sector.

What are the recent findings about social disparities in IT sector?

The study utilises two rounds of NSSO surveys NSS 78th (2020-21) and NSS 68th rounds (2011-12).

- **Disparities in employment probabilities** - Probability of Scheduled Castes (SC) and Scheduled Tribes (ST) to be engaged in the IT sector is only 10% in comparison to upper castes (27%).
- **Widening disparity** - The deficit of lower castes in IT sector went up from 11% in 2011-12 to 17% in 2020-21.
- **Labour segmentation** - Backward and scheduled castes are relegated to the lower segments of the job market.
- **Structural barriers** - Workers in the lower segment facing structural barriers in upward mobility.
- **Disparities in wage earnings** - SC & OBC workers in IT sector earns 24.9% and 22.5% less than their upper caste counterparts, despite considering education & employment types.
- **Gender inequality** - Female workers in IT earn 26.2% lower than males, irrespective of their caste, though their employment probabilities are closer to that of men.

What are the factors causing these disparities?

- **Social inequality** - Caste inequalities are rooted in historical, social, economic & cultural influences, perpetuated by long-standing beliefs and generational transmission.
- **Discrimination** - based on caste permeates the job market, limiting employment chances and professional growth for marginalized sections.
- **India's economic liberalization** - since 1990 has created growth opportunities, especially in technology and services, but caste-based inequality remains.
- **Globalization** - It has created new jobs in cities, but these are mostly in fields needing advanced education and technical skills, which many lower-caste people lack.
- **Digital divide** - It has disproportionately affected rural & lower-caste populations and has limited their ability to participate in the global economy.

What are the impacts of these disparities?

- **Loss of economic efficiency** - According to a report by the International Labour Organization in 2022, higher levels of diversity at the workplace are associated with greater productivity and innovations.

Each 1% increase in racial diversity in upper and lower management is associated with a yearly firm productivity gain between \$729 and \$1,590 per worker.

- **Undermines social justice** - it discourages the marginalised sections from investing in skill development, trapping them in a vicious circle of poverty.
- **Affects national progress** - By marginalizing a considerable segment of the population from equal economic engagement, the nation cannot fully utilize its productive capabilities.
- **Unsustainable development** - Absence of inclusivity also breeds social tensions, resulting in a climate unfavourable to sustainable development.

What can be done to address these disparities?

- Requiring all companies to publicly disclose their workforce diversity matrix, and make it public on their website.
- Such transparency can encourage accountability and motivate employers to prioritise diversity, without imposing specific quotas.
- Provide backward-caste and scheduled caste entrepreneurs greater incentives and training for entrepreneurship in high productivity sectors to boost their economic participation.
- Bridging the skill gap among the marginalised sections can pave the way for a more equitable and inclusive job market.

Reference

[The Hindu | Myth of meritocracy](#)